STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES

AMENDED REPORT

|  |            |                  |  |   | DIVISION   | OF OIL,  | GAS AND M   | INING                                    |   |  | ,                                 | JED NEI ON    |         |        |  |
|--|------------|------------------|--|---|--|----------|---|--|---|--|-----------------------------------|---------------|---------|--------|--|
| APPLICATION FOR PERMIT TO DRILL  |            |                  |  |   |  |          |   |  |   | 1. WELL NAME and NUMBER Three Rivers 16-24-820     |                                   |               |         |        |  |
| 2. TYPE OF WORK  DRILL NEW WELL ( REENTER P&A WELL ) DEEPEN WELL )                                   |            |                  |  |   |  |          |   |  |   | 3. FIELD OR WILDCAT  UNDESIGNATED                  |                                   |               |         |        |  |
| 4. TYPE OF WELL Oil Well Coalbed Methane Well: NO  |            |                  |  |   |  |          |   |  |   | 5. UNIT OF COMMUNITIZATION AGREEMENT NAME          |                                   |               |         |        |  |
| 6. NAME OF OPERATOR  AXIA ENERGY LLC   |            |                  |  |   |  |          |   |  |   |  | 7. OPERATOR PHONE<br>720 746-5200 |               |         |        |  |
| 8. ADDRESS OF OPERATOR 1430 Larimer Ste 400, Denver, CO, 80202                                       |            |                  |  |   |  |          |   | 9. OPERATOR E-MAIL rsatre@axiaenergy.com |   |  |                                   |               |         |        |  |
| 10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)  MI 40210  11. MINERAL OWNERSHIP FEDERAL INDIAN |            |                  |  |   |  |          |   |  | λ.  | 12. SURFACE OWNERSHIP                              |                                   |               |         |        |  |
| 13. NAME   | ) STATE (I | ) FEE            | /  | FEDERAL INDIAN STATE FEE  14. SURFACE OWNER PHONE (if box 12 = 'fee') |  |          |   |  |   |  |                                   |               |         |        |  |
|  |            | CE OWNER (if box | 16. SURFACE OWNER E-MAIL (if box 12 = 'fee') |   |  |          |   |  |   |  |                                   |               |         |        |  |
| 10 INTEND TO COMMINCI E  |            |                  |  |   |  |          |   | I FROM                                   |   | 19. SLANT  |                                   |               |         |        |  |
| 17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')   |            |                  |  |   | MULTIPLE FORMATIONS  YES (Submit Commingling Application) NO ( ) |          |   |  |   | VERTICAL DIRECTIONAL HORIZONTAL                    |                                   |               |         |        |  |
| 20. LOCATION OF WELL   |            |                  |  |   | FOOTAGES   |          | TR-QTR  | SECTION                                  |   |  |                                   | ANGE MERIDIAN |         |        |  |
|  |            |                  |  | 1305 FSL 3304 FEL   |  | <u> </u> | SESW  | 16                                       |   | 8.0 S  |                                   |               | 0.0 E S |        |  |
| Top of Uppermost Producing Zone  |            |                  |  | 660 FSL 3300 FEL  |  |          | SESW  | 16                                       |   | 8.0 S  | 20                                | 0.0 E         | S       |        |  |
| At Total Depth   |            |                  |  | 660 FSL 3300 FEL  |  |          | SESW  | 16                                       |   | 8.0 S  | 20.0 E                            |               |         | S      |  |
| 21. COUNTY UINTAH  |            |                  |  |   | 22. DISTANCE TO NEA  |          | EASE LINE (Feet)                                  |  | 23. NUMBER OF ACRES IN DRILLING UNIT                                    |  |                                   |               |         |        |  |
| 25. DISTANCE TO NEAREST W (Applied For Drilling or Com   |            |                  |  |   |  |          |   | VELL IN SAME POOL                        |   |  | 26. PROPOSED DEPTH                |               |         |        |  |
|  |            |                  |  |   |  |          | 16  |  |   | MD: 6895 TVD: 6813  29. SOURCE OF DRILLING WATER / |                                   |               |         |        |  |
| 4741   |            |                  |  |   |  |          |   |  | WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 49-2262 - RNI at Green River |  |                                   |               |         |        |  |
|  |            |                  |  |   | Hole, Casing   | , and (  | Cement Info                                       | rmation                                  |   |  |                                   |               |         |        |  |
| String   | Hole Size  | Casing Size      | Length                                       | Wei   | ght Grade & Th   | read     | Max Mu  | d Wt.                                    |   | Cement   |                                   | Sacks         | Yield   | Weight |  |
| Surf   | 11         | 8.625            | 0 - 1000                                     | 32  | .0 J-55 LT8  | &C       | 8.7   |  | Premium Li  |  | Strength                          | 100           | 2.97    | 11.5   |  |
| Prod   | 7.875      | 5.5              | 0 - 6895                                     | 17  | .0 J-55 LT8  | &C       | 9.2   | 2  | Class G   |  | Strength                          | 430           | 2.31    | 15.8   |  |
|  |            |                  |  |   |  | TT 4 01  | IMENITO   |  |   |  |                                   |               |         |        |  |
| ATTACHMENTS  |            |                  |  |   |  |          |   |  |   |  |                                   |               |         |        |  |
| VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES |            |                  |  |   |  |          |   |  |   |  |                                   |               |         |        |  |
| WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER   |            |                  |  |   |  |          | COMPLETE DRILLING PLAN                            |  |   |  |                                   |               |         |        |  |
| AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)                                      |            |                  |  |   |  |          | FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER |  |   |  |                                   |               |         |        |  |
| DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)                                   |            |                  |  |   |  |          | <b>✓</b> TOPOGRAPHICAL MAP                        |  |   |  |                                   |               |         |        |  |
| NAME Don Hamilton TITLE Permitting Agent (Buys & Asso  |            |                  |  |   |  |          | PHONE 435 719-2018                                |  |   |  |                                   |               |         |        |  |
| SIGNATURE  |            |                  |  |   | DATE 09/27/2012  |          |   |  |   | EMAIL starpoint@etv.net                            |                                   |               |         |        |  |
| API NUMBER ASSIGNED 43047532320000   |            |                  |  |   | APPROVAL BOUNDED   |          |   |  |   |  |                                   |               |         |        |  |
|  |            |                  |  | Permit Manager  |  |          |   |  |   |  |                                   |               |         |        |  |

## AXIA ENERGY T8S, R20E, S.L.B.&M. Well location, THREE RIVERS #16-24-820, located as shown in the SE 1/4 SW 1/4 of Section 16, N89"11'21"E - 2612.52' (Meas.) N86°58'21"E - 2732.59' (Meas.) T8S, R20E, S.L.B.&M., Uintah County, Utah. Marked Stone Alum. Cap Set Marked 0.5' High On BASIS OF ELEVATION Stone 5/8" Rebar 0.6' High BENCH MARK (38EAM) LOCATED IN THE SW 1/4 OF SECTION 9, T7S, R20E, S.L.B.&M. TAKEN FROM THE PELICAN LAKE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4942 FEET. 2389.36 BASIS OF BEARINGS BASIS OF BEARINGS IS A G.P.S. OBSERVATION. N23.17, W S247.00 (G LOT 3 5310.89 (6.1.0) 16 601.59 (Meas.) Mile Marker #1 C.C. Alum. Cap 501.05,25 0.5' High Collar of LOT 4 Stone Q10 THREE RIVERS #16-24-820 Elev. Ungraded Ground = 4741' INDIAN SCALE 1DIAN TREATY N23'07'58"W 526 CERTIFICATE 3304 LOT 5 THIS IS TO CERTIFY THAT THE ABOVE THAT WAS PREPAR FIELD NOTES OF ACTUAL SURVEYS TOP BY ME OR LINDER Target SUPERVISION AND THAT THE SAME TRUE 3300' BEST OF MY KNOWLEDGE AND BELL Bottom ( True Position Hole Set Marked Stone C.C. Steel Steel 1.0' High BOUND S89°11'44"W - 2645.13' (Meas.) S87°53'31"W -1590.77' (Meas. To True) UINTAH ENGINEERING & LAND SURVEYING S87°53'31"W LINE TABLE LEGEND: 1590.15' (Meas. To C.C.) 85 SOUTH 200 EAST - VERNAL, UTAH 84078 LINE DIRECTION LENGTH (435) 789-1017 = 90° SYMBOL lnitial Point Marker S01°25'14"E 644.67 SCALE DATE SURVEYED: DATE DRAWN: PROPOSED WELL HEAD. 1" = 1000'07 - 31 - 1208 - 07 - 12SECTION CORNERS LOCATED. NAD 83 (TARGET BOTTOM HOLE) NAD 83 (SURFACE LOCATION) REFERENCES PARTY LATITUDE = 40°07'01.20" (40.117000) LONGITUDE = 109°40'31.54" (109.675428) LATITUDE = 40°07'07.57" (40.118769) LONGITUDE = 109'40'31.75" (109.675486) G.O. S.R. Z.L. G.L.O. PLAT = SECTION CORNERS NAD 27 (TARGET BOTTOM HOLE) NAD 27 (SURFACE LOCATION) RE-ESTABLISHED. WEATHER FILE LATITUDE = $40^{\circ}07^{\circ}01.33^{\circ}$ (40.117036) LATITUDE = 40°07'07.70" (40.118806) (Not Set on Ground.) HOT AXIA ENERGY LONGITUDE = $109^{\circ}40'29.04''$ (109.674733) LONGITUDE = 109'40'29.25" (109.674792)